

FISCAL NOTE

SB 2185 - HB 2602

February 5, 2000

SUMMARY OF BILL: Adds language to TCA 67-4-2114(a) to specifically exclude goodwill as part of the "surplus and undivided profits when calculating franchise tax liability.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Increase State Expenditures - \$51,000 One-Time

Estimate assumes the following:

- The total decrease in state revenues cannot be determined but can be estimated to exceed \$100,000 since goodwill is a common intangible asset.
- A one-time increase in state expenditures of approximately \$51,000 for MIS system changes.
- Taxpayer notification can be accomplished through existing mailings.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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